

CALIFORNIA MEDICAL ASSISTANCE COMMISSION



**ANNUAL REPORT
TO THE LEGISLATURE
2008**

CALIFORNIA MEDICAL ASSISTANCE COMMISSION ANNUAL REPORT TO THE LEGISLATURE 2008

COMMISSIONERS

**CATHIE BENNETT WARNER, CHAIR
MICHELE BURTON, M.P.H.
WILMA CHAN
MARVIN KROPKE
VICKI MARTI
NANCY E. MCFADDEN**

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

**KEITH BERGER, EXECUTIVE DIRECTOR
770 L STREET, SUITE 1000
SACRAMENTO, CALIFORNIA 95814
(916) 324-2726**

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
SELECTIVE PROVIDER CONTRACTING PROGRAM	4
EFFECT OF SELECTIVE CONTRACTING ON ACCESS AND COST.....	4
HOSPITALS AVAILABLE FOR MEDI-CAL BENEFICIARIES	4
SERVICE CAPACITY AVAILABLE TO MEET NEED	6
MEDI-CAL INPATIENT EXPENDITURES AND UTILIZATION	8
AVERAGE PAYMENT RATE CHANGES	9
ANALYSIS OF FISCAL IMPACT OF SPCP CONTRACTING PROGRAM	11
FEDERAL WAIVER	12
SPECIAL PROGRAMS.....	13
Private Hospital Supplemental Fund	14
Emergency Services and Supplemental Payment Program	15
Medi-Cal Medical Education Supplemental Payment and Medi-Cal Large Teaching Emphasis Hospital and Children's Hospital Medical Education Supplemental Payment Programs.....	15
Small and Rural Hospital Supplemental Payment Program.....	16
Nondesignated Public Hospital Supplemental Fund	16
Construction and Renovation Reimbursement Program.....	17
Distressed Hospital Fund	18
MANAGED CARE	19
CONCLUSIONS.....	21

TABLES

Table 1	SPCP Contract Changes From December 2, 1982 to December 1, 2007.....	5
Table 2	Hospitals With SPCP Contract Changes From December 2, 2006 Through December 1, 2007.....	6
Table 3	Percent of 2006 Medi-Cal Area Need Under SPCP Contract	7
Table 4	Average Medi-Cal SPCP Contract Rates as of December 1, 2007.....	11

EXHIBITS

Exhibit 1	Distribution of Medi-Cal Acute Inpatient Days Fiscal Year 1982-83 Through Fiscal Year 2006-07	9
Exhibit 2	Distribution of Medi-Cal Acute Inpatient Days Based on Fiscal Year 2006-07 Dates of Service	9
Exhibit 3	Distribution of Medi-Cal Acute Inpatient Payments Based on Fiscal Year 2006-07 Dates of Service	9
Exhibit 4	Estimated Fiscal Year 2007-08 Distribution of Medi-Cal Payments, Exclusive of Payments to Managed Care Plans	20
Exhibit 5	Estimated Fiscal Year 2007-08 Distribution of Medi-Cal Payments to Managed Care Plans.....	21

APPENDICES

Appendix A – Contracting Status of HFPAs as of December 1, 2007

Appendix B – Medi-Cal Hospital Contracting Status by Area as of December 1, 2007

EXECUTIVE SUMMARY

The California Medical Assistance Commission (CMAC) was established by the Legislature in 1983 and is governed by Welfare and Institutions Code sections 14165 et seq., and the California Code of Regulations, title 22, sections 100501 et seq. CMAC is the agency established for negotiating contracts with hospitals and certain managed care plans on behalf of the State for specific services under the Medi-Cal program. The goal of the Commission is to promote efficient and cost-effective Medi-Cal programs through a system of negotiated contracts fostering competition and maintaining access to quality health care for Medi-Cal beneficiaries.

This 25th Annual Report to the Legislature by CMAC reports access and cost information relating to the past year's operation of the Medi-Cal Selective Provider Contracting Program (SPCP), as well as the Medi-Cal Geographic Managed Care (GMC) programs for which CMAC has negotiating responsibility.

SELECTIVE PROVIDER CONTRACTING PROGRAM (SPCP)

The SPCP was established by the Legislature in 1982 and operates under a federal waiver, in accordance with Section 1115(a), title XIX, of the Social Security Act, Medicaid Demonstration, entitled Medi-Cal Hospital/Uninsured Care Demonstration Project Act (Waiver 11-W-0001 93/9). Other State law and regulations governing the SPCP are set forth in Welfare and Institutions Code sections 14081 et seq. and 14166 et seq., and California Code of Regulations, title 22, section 51541. Through CMAC, the State selectively contracts, on a competitive basis, with those hospitals in California that prefer to be reimbursed under the terms of an SPCP contract for services provided to Medi-Cal beneficiaries. The SPCP has operated successfully for over 24 years. Competitive contracting has assured continued hospital access for Medi-Cal beneficiaries while, at the same time, saving the state and federal governments substantial funds.

SPCP Beneficiary Access

From its inception, the SPCP has selectively contracted with hospitals for Medi-Cal reimbursement for services provided to beneficiaries. The requirement that the program ensure sufficient hospital beds to serve the Medi-cal population has always been a key criterion in determining which hospitals should be SPCP contracting hospitals.

Overall, the 203 general acute care hospitals contracting with the State under the SPCP program have sufficient capacity to provide all of the general acute care inpatient services necessary for beneficiaries in the areas where the hospitals operate. These 203 hospitals have nearly four times the number of licensed beds necessary to meet the general acute care inpatient needs of fee-for-service Medi-Cal beneficiaries in those areas of the State.

MANAGED CARE – COHS AND GMC

In addition to CMAC's role in SPCP per diem negotiations with hospitals, CMAC is charged with negotiating both of the Geographic Managed Care (GMC) programs. In previous years, CMAC was also charged with negotiating four of the State's County Organized Health Systems (COHS). However, as of July 1, 2007, the responsibility for these negotiations was turned over to the Department of Health Care Services (DHCS).

GMC is a Medi-Cal managed care model designed to provide a comprehensive program of managed care with maximum access by allowing Medi-Cal beneficiaries, in clearly defined geographical areas of the State, to choose among competing commercial health maintenance organizations (HMOs) (Welf. & Inst. §14089.). The features that distinguish the GMC model from the COHS managed care model are multiple HMOs, beneficiary choice of an HMO, and some voluntary enrollment categories.

CMAC negotiates contract rates, terms and conditions for Medi-Cal contracts between the competing HMOs and the State for a standard benefit package. There are two GMC programs currently operating in California:

- Sacramento Geographic Managed Care
- Healthy San Diego

PROGRAM SAVINGS - SPCP AND MANAGED CARE

In addition to ensuring hospital access for beneficiaries through the competitive SPCP contracting program, the State has saved a significant amount of funds—a total of approximately \$10.3 billion in State General Fund savings since 1983. For fiscal year 2007-08 alone, State General Fund savings attributable to the SPCP are estimated to be \$572.0 million. These are funds that would have been spent, had the State continued operating under the traditional, cost-based reimbursement system, which continues to operate in many parts of the United States.

Based on a fiscal year 2007-08 average statewide Medi-Cal SPCP contract rate of \$1,290 per day, the average contract rate has increased 151.5 percent, or approximately 3.8 percent per year on a compounded basis, since the inception of the SPCP program. For non-SPCP hospitals remaining under the cost-based reimbursement system, the average payment rate for the same period has increased 307.2 percent, or approximately 6.3 percent per year on a compounded basis. The average SPCP contract rate is based on the negotiated rates of the 182 hospitals with whom CMAC maintained rate contracts as of December 1, 2007. This year's average rate calculation does not include the 21 hospitals that, under the current federal waiver, are receiving Medi-Cal payments based on their certified public expenditures rather than on CMAC negotiated rates. These hospitals are listed in the Special Programs section of this report. These 21 hospitals will continue to maintain SPCP contracts and will provide access to Medi-Cal beneficiaries. Additional detail on the current federal waiver is set forth later in this report.

Through CMAC negotiations with GMC programs, an estimated State General Fund savings of \$55.0 million was achieved in fiscal year 2007-08. It is estimated that this amount represents the additional expenditure that would have been incurred, had the State continued providing care for the enrolled population through the traditional fee-for-service delivery system. A total State General Fund savings of over \$1.5 billion has accrued since the commencement of CMAC managed care negotiations.

CONCLUSIONS

In summary, the SPCP and managed care activities of CMAC continue to: (1) ensure access for Medi-Cal beneficiaries to hospital inpatient and health plan services, and (2) remain cost-effective programs for delivering and paying for those services in the year 2008.

SELECTIVE PROVIDER CONTRACTING PROGRAM

EFFECT OF SELECTIVE CONTRACTING ON ACCESS AND COST

The primary responsibility of the California Medical Assistance Commission (CMAC) is to maintain the integrity of the Medi-Cal Selective Provider Contracting Program (SPCP). For over twenty-four years, the SPCP has worked to provide access to hospital acute care inpatient services for Medi-Cal beneficiaries sufficient to meet need, while at the same time achieving significant savings over the traditional "cost-based" reimbursement system being utilized by many other states. Employing the concepts of competition and negotiation, the SPCP has more than two decades of experience that demonstrate the value of those concepts in the purchase of Medi-Cal health care services.

HOSPITALS AVAILABLE FOR MEDI-CAL BENEFICIARIES

Since the inception of the SPCP, CMAC has provided updated statistics to the Legislature annually that describe the current extent of acute care inpatient services available through the SPCP contracts. An important consideration in evaluating the program has been the extent to which the "selective" aspect of the contracting program still assures that there are sufficient hospital beds and services available to Medi-Cal beneficiaries. A variety of analyses have been presented in previous reports to describe the availability and use of SPCP contracted services. Many of those analyses are updated for this report.

Of the 203 general acute care hospitals under contract, 197 hospitals are under contract in 63 "closed areas" of the State. "Closed areas" are those Health Facility Planning Areas (HFPAs) where SPCP contracts have been signed and Medi-Cal beneficiaries must receive inpatient care at a contract hospital, except in emergencies or as provided for under Welfare and Institutions Code section 14087. Six other hospitals are under contract in "open areas" of the State. "Open areas" are those HFPAs where the SPCP is not in effect. These are primarily rural, one-hospital areas where the principles of competitive contracting do not apply. There were no changes in the SPCP status of any HFA in 2007. A listing of all HFPAs containing at least one contract hospital and showing all hospitals and their contracting status in each of those HFPAs is included in this report as Appendix A.

The number of hospitals entering into new SPCP contracts, terminating contracts and recontracting after termination since December 1, 1982 is presented in Table 1. Contracting status changes are provided in Table 2, and a listing of all SPCP contract hospitals available to Medi-Cal beneficiaries as of December 1, 2007, is provided in Appendix B.

TABLE 1
SPCP CONTRACT CHANGES
FROM DECEMBER 2, 1982 TO DECEMBER 1, 2007

	PRIOR MULTI-YEAR PERIODS			ANNUAL CHANGES			TOTAL
	82/86	86/90	90/04	04/05	05/ 06	06/07	82/07
Contracts at Start	0	271	236	217	216	210	0
New Contracts	293	21	62	2	0	1	379
Terminations/ Closures/ Consolidations	-30	-67	- 119*	-4	-8	-6	-234
Recontracted	8	11	38	1	1	0	59
Contracts at End	271	236	217	216	210**	203***	203

* Seven of these terminations were the result of converting the contract fee-for-service mental health system to the State Department of Mental Health's managed care system effective January 1, 1995.

**Increased to 210 due to addition of U C San Diego Thorton included in Appendix B.

***Decreased to 203 due to the removal of Avalon Municipal Hospital and Motion Picture and Television Hospital from contract status due to deactivation of provider number.

Source: CMAC Management Information System

TABLE 2

**HOSPITALS WITH SPCP CONTRACT CHANGES
FROM DECEMBER 2, 2006 THROUGH DECEMBER 1, 2007**

HOSPITAL	LOCATION
<u>Reported as Contract Facilities in Error (2)</u>	
Motion Picture & Television Hospital	Van Nuys
Avalon Municipal Hospital	Long Beach
<u>Hospitals Contracting (1)</u>	
Northern California Rehabilitation Hospital	Redding
<u>Hospitals Terminating (3)</u>	
San Geronio Memorial Hospital	Banning
Alameda Hospital	Hayward
Sutter Roseville Medical Center	Roseville
<u>Hospitals Closing (3)</u>	
Martin Luther King / Drew Medical Center	Watts
Daniel Freeman Memorial	Inglewood
Tuolumne General Hospital	Sonora

The net change in the percentage of licensed beds available to Medi-Cal beneficiaries due solely to the above contracting status changes has been a reduction of less than 2%.

SERVICE CAPACITY AVAILABLE TO MEET NEED

Table 3 presents data showing the percent of "Medi-Cal Area Need Under Contract." The table depicts acute inpatient hospital bed capacity under contract, as a percentage of the area bed need required to assure that Medi-Cal beneficiaries have access to acute inpatient services under the SPCP. The data is for calendar year 2006 and indicates, with the exception of burn center services in Coastal and Riverside areas, that sufficient bed capacity was available in SPCP contracting hospitals to meet the acute inpatient hospitalization needs of Medi-Cal beneficiaries for the specified services in all geographic areas. The annotation "N/A" for Coastal and Riverside areas is due to the fact that there are no licensed burn beds in these two areas.

CMAC takes into consideration trends with respect to acute inpatient utilization; changes in the availability of licensed bed services, e.g., neonatal intensive care; mergers and consolidations of hospitals; and the effect of managed care—both generally and specifically for Medi-Cal beneficiaries being served under the SPCP.

TABLE 3
PERCENT OF 2006 MEDI-CAL AREA NEED
UNDER SPCP CONTRACT

AREA*	TOTAL	MS/ICU	OB	NICU	PED	REHAB	BURN
STATEWIDE	395%	498%	240%	164%	306%	1132%	660%
SACRAMENTO	278%	341%	261%	134%	138%	534%	105%
SAN FRANCISCO BAY	499%	662%	277%	186%	277%	635%	634%
SAN JOAQUIN VALLEY	288%	343%	256%	153%	177%	1056%	100%
COASTAL	629%	1148%	178%	189%	1502%	2316%	N/A
LOS ANGELES	396%	482%	226%	165%	377%	2622%	1244%
ORANGE	527%	1077%	221%	164%	224%	2963%	1022%
RIVERSIDE	375%	472%	203%	153%	630%	763%	N/A
SAN BERNARDINO	274%	333%	239%	128%	222%	311%	731%
SAN DIEGO	418%	462%	346%	192%	429%	1329%	287%
* Refer to Appendix A, Closed Area Name, for identification of HFPAs within each Area designation.							
Service Codes	MS/ICU	Medical-Surgical & Intensive Care					
	OB	Obstetrics					
	NICU	Neonatal Intensive Care Unit					
	PED	Pediatrics					
	REHAB	Acute Rehabilitation					
	BURN	Burn Center					

Table 3 indicates that the statewide total for vacant licensed beds under SPCP contract was 395 percent greater than the Medi-Cal patient caseload required in 2006. The licensed beds and non-Medi-Cal patient caseload data were collected from the 2006 Annual Utilization Report of Hospitals from the

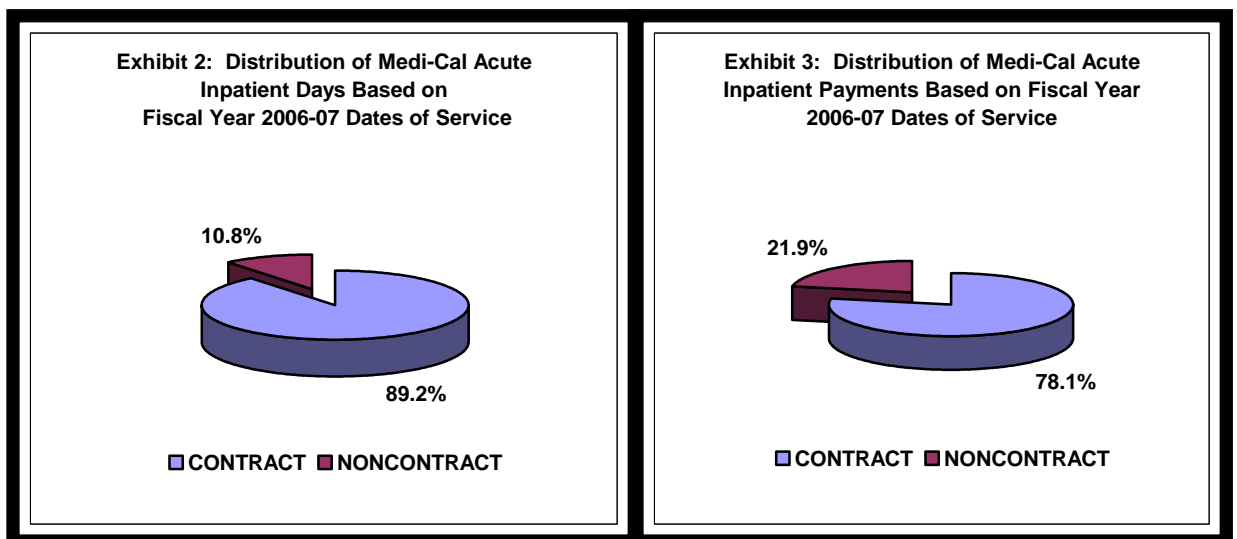
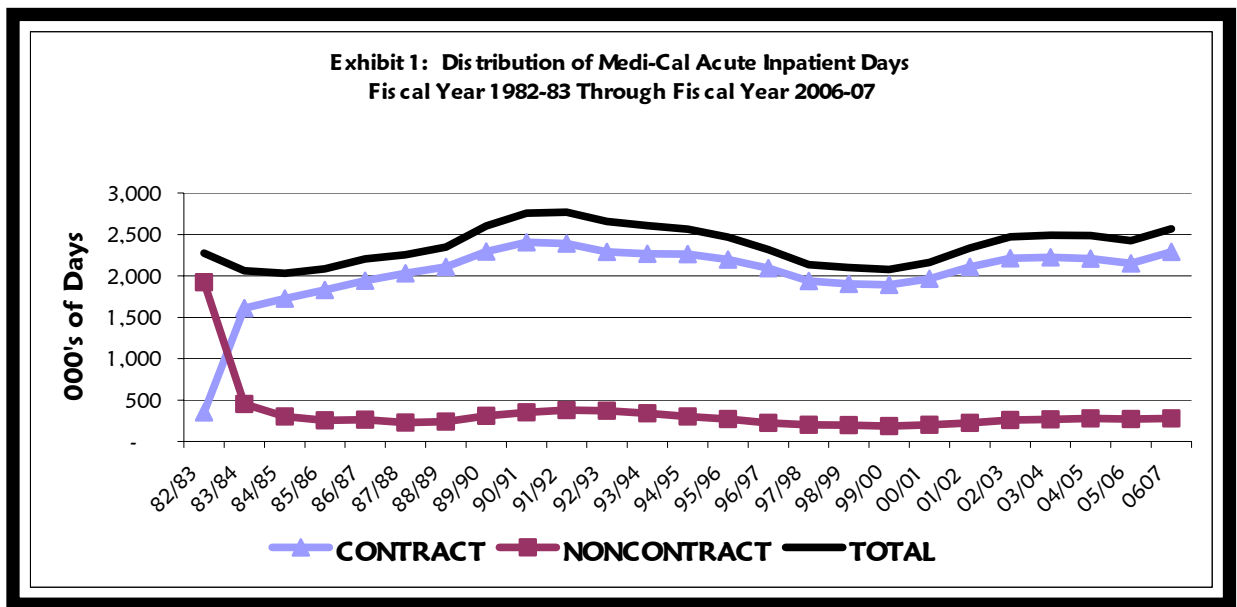
Office of Statewide Health Planning and Development, which represents the most recent and complete report at the time this table was developed. Medi-Cal patient caseload data for 2006 was used in order to provide comparability to data derived from the 2006 Annual Utilization Report of Hospitals.

MEDI-CAL INPATIENT EXPENDITURES AND UTILIZATION

All days and dollars cited in this section are estimates for services provided in fiscal year 2006-07 based on fee-for-service (non-managed care) payments made by the State's Medi-Cal fiscal intermediary. As previously stated, 21 hospitals will be receiving Medi-Cal payments based on their certified public expenditures (CPE) rather than a negotiated CMAC rate. Statewide, fee-for-service Medi-Cal expenditures for general acute care hospital inpatient services (excluding CPE hospitals) provided in fiscal year 2006-07 were approximately \$2.9 billion in State and federal funds. Of this amount, approximately \$2.3 billion, or 78.1 percent, was paid to SPCP hospitals. Non-contract hospitals accounted for the other 21.9 percent of the payments.

In fiscal year 2006-07, the Medi-Cal program purchased approximately 2.6 million days of inpatient hospital acute care at SPCP contract and non-contract hospitals. SPCP contract hospitals provided approximately 2.3 million patient days of care in fiscal year 2006-07, representing 89.2 percent of the total inpatient acute care days provided to Medi-Cal beneficiaries. Non-contract hospitals provided the remaining 10.8 percent of total inpatient acute care days.

The following Exhibits display the current distribution of Medi-Cal acute inpatient days and payments between SPCP contract and non-contract hospitals as well as their trends since the inception of the SPCP. The Distribution of Medi-Cal Acute Inpatient Days (Exhibit 2) includes the Medi-Cal Acute Inpatient Days associated with the 21 CPE hospitals. The Distribution of Medi-Cal Acute Inpatient Payments (Exhibit 3) does not include the Medi-Cal Acute Inpatient Payments associated with the 21 CPE hospitals.



AVERAGE PAYMENT RATE CHANGES

Although CMAC continues to maintain contracts with 203 general acute care hospitals, as of December 1, 2007, only 182 of those contracts were for negotiated per diem rates. Twenty-one public hospitals will be reimbursed on a certified public expenditures basis, as described in the Special Programs section of this report. The average per-day reimbursement received by the 182 general acute care hospitals with Medi-Cal SPCP per diem contracts on December 1, 2007 was \$1,290, up from \$1,193 on December 1, 2006. Amounts paid to the 21 public hospitals now reimbursed on a CPE basis were not

included in the average per diem calculation. The overall increase in the statewide average resulted from the combination of the following effects during the twelve-month period:

- 128 contract hospitals received an increase in rates through the negotiation process; there were 138 such increases in the previous year;
- No contract hospitals experienced a negotiated decrease in rates;
- 1 hospital began contracting for the first time;
- 6 general acute care hospitals either closed their doors or terminated their contracts;
- No hospitals recontracted.
- 2 hospitals were removed from contract status hospitals.

As of December 1, 2007, there were no SPCP contracting hospitals paid an all-inclusive rate per discharge. There was one SPCP contracting hospital with rate structures that included a separate discharge rate for obstetrical services, three less than the prior year.

Table 4 displays average contract rates by region and hospital size for calendar years 1984 through 2007. These numbers represent the average rate paid under SPCP contract as of December 1 for each year reported. The average rate a SPCP contract hospital receives has increased 151.5 percent from 1984 through 2007, or approximately 3.8 percent per year on a compounded basis. This is in contrast to the historical change in the average payment rate to non-contracting hospitals. Under the cost-based reimbursement system, the average payment rate from 1984 to 2007 has increased 307.2 percent or approximately 6.3 percent per year on a compounded basis.

In calculating the average area rate for Medi-Cal contracts, there are many more factors that contribute to the published area rate differentials. These factors include, but are not limited to, the number of hospitals in the area, the population each hospital serves, the services each hospital provides, the costs of these services, and bed availability.

TABLE 4

**AVERAGE MEDI-CAL SPCP CONTRACT RATES
AS OF DECEMBER 1, 2007**

YEAR	1984	1987	1990	1993	1996	1999	2003	2004	2005	2006	2007
STATEWIDE	\$513	\$544	\$651	\$780	\$836	\$871	\$1028	\$1,065	\$1,108	\$1,193	\$1,290
BY COMBINED STATISTICAL AREA (CSA)*											
So. California	\$516	\$541	\$662	\$789	\$837	\$860	\$964	\$992	\$1,014	\$1,104	\$1,198
SF Bay Area	\$562	\$592	\$682	\$816	\$873	\$934	\$1,218	\$1,285	\$1,377**	\$1,443**	\$1,570
Other Areas	\$483	\$525	\$620	\$748	\$815	\$864	\$1,060	\$1,095	\$1,162**	\$1,263**	\$1,356
BY NUMBER OF BEDS:											
1 – 99	\$467	\$480	\$544	\$647	\$686	\$746	\$855	\$867	\$926	\$997	\$1,056
100 – 299	\$511	\$545	\$653	\$780	\$842	\$879	\$1,041	\$1,070	\$1,121	\$1,220	\$1,344
300 +	\$578	\$619	\$738	\$871	\$918	\$981	\$1,154	\$1,207	\$1,232	\$1,309	\$1,401
*CSA – Area designations of the U.S. Office of Management and Budget											
**Due to CSA misclassifications, the Average Medi-Cal SPCP Contract Rates for the SF Bay Area and Other Areas for 2005 and 2006 have been revised.											
Southern California =		Counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura									
San Francisco Bay Area =		Counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma									
Other Areas =		All other counties or CSAs containing an insufficient number of hospitals to allow for meaningful comparisons.									

Sources: CMAC Management Information System and Office of Statewide Health Planning and Development Hospital Annual Disclosure Report, Year 31 (fiscal year 2005-06).

ANALYSIS OF FISCAL IMPACT OF SPCP CONTRACTING PROGRAM

The implementation of the SPCP has generated substantial General Fund savings. These General Fund savings have increased from less than \$100.0 million per annum during the early years of the SPCP to the current estimate of \$572.0 million in General Fund savings for fiscal year 2007-08.

For the past twenty-five years, the fiscal impact of SPCP contracting has been monitored by comparing negotiated contract rates with estimates of what hospitals would have been paid under the cost-based reimbursement system. The Audits and Investigations Division of the DHCS compiles data on Medi-Cal allowable costs and utilization as reported by each hospital for every fiscal year. This information is used to calculate allowable costs per day for each

hospital. This figure is then adjusted by statewide inpatient inflation factors to arrive at a benchmark rate for each hospital.

These per day benchmark rates for contracting hospitals are then compared to actual CMAC negotiated rates. The number of days of service rendered by each hospital is multiplied by both the benchmark and the negotiated rate. The latter is subtracted from the former to show the SPCP savings estimate for each hospital. The result of adding the State General Fund savings figures for all non-CPE hospitals under contract as of December 1, 2007 is a projected SPCP expenditure estimated to be \$572.0 million less than the total benchmark expenditure estimate for the year.

It is not possible to identify the amount of State General Fund savings produced by the SPCP with absolute certainty because it is difficult to accurately project what each contracting hospital would have received if the SPCP were discontinued and each hospital were to return to the cost-based reimbursement system. It is possible that hospitals would spend more than their estimated benchmarks because there would be less of an incentive to control costs under a cost-based reimbursement system. Thus, while CMAC continues to calculate estimated SPCP savings figures, CMAC is reluctant to precisely represent an exact figure as SPCP savings for a particular year.

FEDERAL WAIVER

Since its inception, the SPCP has operated under a federal waiver, in accordance with Section 1915(b)(4) of the Social Security Act. On August 31, 2005, the Centers for Medicare & Medicaid Services (CMS) approved a new federal waiver that encompassed a broad range of revisions to hospital Medi-Cal reimbursement. This latest federal waiver was approved by CMS as a Medicaid demonstration project under the authority of Section 1115(a) of the Social Security Act. The most notable features of the current 1115(a) federal demonstration waiver include:

- the creation of a Safety Net Care Pool that makes new federal funds available to the State for medical care expenditures for the uninsured and for the expansion of health care coverage to the uninsured population;
- the authority to continue the SPCP for private and district hospitals, with CMAC continuing to negotiate rates for the hospital inpatient services these hospitals provide under the Medi-Cal program;

- the waiver was approved for the five-year period September 1, 2005 through August 31, 2010. Prior 1915(b)(4) waivers needed to be re-approved every two years.

In addition to the new 1115(a) demonstration waiver, the Medi-Cal Hospital/Uninsured Care Demonstration Project Act (Senate Bill 1100, Chapter 560, Statutes of 2005) added Article 5.2, Section 14166, et. seq., to the Welfare and Institutions Code, and was amended by Assembly Bill 3070 (Chapter 327, Statutes of 2006). This act changed the methodology by which some California hospitals are reimbursed under the Medi-Cal program. These changes are summarized under the Special Programs section of this report.

Notwithstanding the recent hospital reimbursement changes, the SPCP remains a cost-effective program. Relatedly, the SPCP saves the State substantial General Fund dollars when hospital per diem rates negotiated under the SPCP are compared to estimated Medi-Cal cost-based reimbursements.

SPECIAL PROGRAMS

In accordance with the Medi-Cal Hospital/Uninsured Care Demonstration Project Act, the primary Medi-Cal reimbursement method for designated public (the University of California and county) hospitals is now based on certified public expenditures (CPE). The Act also eliminated the use of most intergovernmental transfers and established other funding mechanisms. While these designated public hospitals still maintain SPCP contracts with the State, CMAC no longer negotiates inpatient rates with the University of California and county hospitals for the hospital inpatient services they provide under the fee-for-service Medi-Cal program. Instead, the DHCS determines Medi-Cal reimbursement levels for these hospitals as specified in the Act. The 21 hospitals covered by this CPE reimbursement method are listed below:

ALAMEDA COUNTY MEDICAL CENTER
 ARROWHEAD REGIONAL MEDICAL CENTER
 CONTRA COSTA REGIONAL MEDICAL CENTER
 KERN MEDICAL CENTER
 LOS ANGELES CO. HARBOR/UCLA MEDICAL
 LOS ANGELES CO. OLIVE VIEW MEDICAL
 LOS ANGELES CO. RANCHO LOS AMIGOS
 LOS ANGELES CO. USC MEDICAL CENTER
 NATIVIDAD MEDICAL CENTER
 RIVERSIDE COUNTY REGIONAL MEDICAL CENTER
 SAN FRANCISCO GENERAL HOSPITAL MEDICAL CENTER
 SAN JOAQUIN GENERAL HOSPITAL

SAN MATEO MEDICAL CENTER
SANTA CLARA VALLEY MEDICAL CENTER
UC IRVINE MEDICAL CENTER
UC DAVIS MEDICAL CENTER
UC MEDICAL CENTER-SAN DIEGO
UCLA - SANTA MONICA CAMPUS
UCLA MEDICAL CENTER
UCSF HOSPITAL
VENTURA COUNTY MEDICAL CENTER

For private and nondesignated public, or district, hospitals, the Act continues the SPCP. CMAC will continue to negotiate inpatient rates with private and district hospitals for the hospital inpatient services they provide under the fee-for-service Medi-Cal program.

The Act also created new hospital supplemental payment programs, and restructured how supplemental payment programs are funded.

Private Hospital Supplemental Fund

The Medi-Cal Hospital/Uninsured Care Demonstration Project Act created the Private Hospital Supplemental Fund. (Welf. & Inst. § 14166.12.) Payments available to qualifying SPCP hospitals under the Private Hospital Supplemental Fund are based in part on the provisions in the Act, with the rest subject to negotiations with the CMAC. The program is currently supported with State General Funds, which are matched by the federal government.

To be eligible for payments from the Private Hospital Supplemental Fund, private hospitals must meet criteria in current State law for the Emergency Services and Supplemental Payment Program, the Medi-Cal Medical Education Supplemental Payment or Medi-Cal Large Teaching Emphasis Hospital and Children's Hospital Medical Education Supplemental Payment Programs, or the Small and Rural Hospital Supplemental Payment Program. Payments will no longer be made from the funds that were established for these prior supplemental payment programs. As of the publication of this report, \$246.5 million in payments to eligible hospitals for State Fiscal Year 2007-08 have been approved by the Commission. Payments for hospitals that meet the eligibility criteria will now be made solely from the Private Hospital Supplemental Fund. Eligibility criteria for these prior supplemental payment programs are as follows:

— Emergency Services and Supplemental Payment Program

The Emergency Services and Supplemental Payment Program was enacted in 1989 in response to threatened emergency department closures and trauma system collapse in Los Angeles County. (Welf. & Inst. § 14085.6.)

To be eligible for the Emergency Services and Supplemental Payment Program, a hospital must:

- be a contract hospital under the SPCP; and
- be a disproportionate share Medi-Cal provider (Welf. & Inst. §§ 14105.98 and 14163.); and
- demonstrate a purpose for additional funding including proposals for expanding and/or improving access to emergency room and other health care services; and
- be licensed to provide basic or comprehensive emergency services (or be a Children's' hospital which provides emergency services in conjunction with another hospital); or
- be a hospital designated by the National Cancer Institute as a comprehensive or clinical cancer research center.

— Medi-Cal Medical Education Supplemental Payment and Medi-Cal Large Teaching Emphasis Hospital and Children's Hospital Medical Education Supplemental Payment Programs

Welfare and Institutions Code sections 14085.7 and 14085.8 were adopted in the mid-1990s to create two new supplemental payment programs in support of medical education. The purpose of such programs is to recognize medical education costs associated with health care services rendered to Medi-Cal beneficiaries.

To be eligible for these Medical Education programs, a hospital must:

- be a contract hospital under the SPCP; and

- be a university teaching hospital or major (non-university) teaching hospital, as defined in Welfare and Institutions Code section 14085.7; or
- be a large teaching-emphasis hospital, or children's hospital, as defined in Welfare and Institutions Code section 14085.8 and be eligible under the Disproportionate Share Hospital program as defined in Welfare and Institutions Code section 14105.98, subdivision (a)(3).

— Small and Rural Hospital Supplemental Payment Program

Welfare and Institutions Code section 14085.9 authorizes the Small and Rural Hospital Supplemental Payment Program. This program was established to provide supplemental reimbursements to small and rural hospitals with standby emergency rooms that do not qualify for reimbursement under the Emergency Services and Supplemental Payment Program. (Welf. & Inst. § 14085.6.)

To be eligible for this program, a hospital must be:

- a contract hospital under the SPCP; and
- a small and rural hospital; and
- a disproportionate share Medi-Cal provider (Welf. & Inst. §§ 14105.98 and 14163.); and
- licensed to provide standby emergency room services.

Nondesignated Public Hospital Supplemental Fund

The Medi-Cal Hospital/Uninsured Care Demonstration Project Act also established the Nondesignated Public Hospital Supplemental Fund. (Welf. & Inst. § 14166.17.) Nondesignated public hospitals are public hospitals defined in Welfare and Institutions Code section 14105.98(a)(25), excluding designated public hospitals reimbursed on a certified public expenditure basis, which participate under the SPCP. Nondesignated public hospitals are primarily district hospitals.

The Act continues the SPCP for nondesignated public, or district, hospitals. CMAC will continue to negotiate rates, terms and conditions with district hospitals for the hospital inpatient services they provide under the Medi-Cal

program. To qualify for supplemental payments financed through the Nondesignated Public Hospital Supplemental Fund, district hospitals must also meet criteria in current State law for at least one of the following supplemental payment programs:

- Emergency Services and Supplemental Payment Program, or
- Medi-Cal Medical Education Supplemental Payment and Medi-Cal Large Teaching Emphasis Hospital and Children's Hospital Medical Education Supplemental Payment Programs, or
- Small and Rural Hospital Supplemental Payment Program.

In fiscal year 2007-08, \$4.3 million in payments to eligible hospitals have been approved by the Commission for hospitals eligible under this program.

For additional information regarding the above supplemental payment programs funded through the Nondesignated Public Hospital Supplemental Fund, please refer to the Private Hospital Supplemental Fund section of this report.

Construction and Renovation Reimbursement Program

Welfare and Institutions Code section 14085.5 authorizes the Construction and Renovation Reimbursement Program. This program provides supplemental reimbursement for the debt service incurred on the revenue bonds for construction, renovation, or replacement of facilities or fixed equipment.

To be eligible for reimbursements under this program, a hospital must be:

- a contract hospital under SPCP; and
- serve a disproportionate number of Medi-Cal beneficiaries or other low income patients; and
- have a required plan for a new capital project funded by new debt submitted to the Office of Statewide Health Planning and Development after September 1, 1988 and prior to June 30, 1994.

While the Construction and Renovation Reimbursement Program is administered by the DHCS, the payment authority is incorporated into SPCP hospital contracts. During fiscal year 2007-08, an estimated \$128.0 million in additional payments to hospitals will be made as a result of the SB 1732 program.

Distressed Hospital Fund

The Medi-Cal Hospital/Uninsured Care Demonstration Project Act also established a Distressed Hospital Fund (DHF) (Welf. & Inst. § 14166.23.) for SPCP contract hospitals that meet all of the following requirements, as determined by CMAC in its discretion:

- the hospital serves a substantial volume of Medi-Cal patients measured either as a percentage of the hospital's overall volume or by the total volume of Medi-Cal services furnished by the hospital; and
- the hospital is a critical component of the Medi-Cal program's health care delivery system, such that the Medi-Cal health care delivery system would be significantly disrupted if the hospital reduced its Medi-Cal services or no longer participated in the Medi-Cal program; and
- the hospital is facing a significant financial hardship that may impair its ability to continue its range of services for the Medi-Cal program.

The authority establishing the Distressed Hospital Fund (DHF) provides that CMAC may negotiate with SPCP hospitals that meet the three statutory criteria for distributions from the DHF. (Welf. & Inst. § 14166.23.)

All SPCP hospitals were invited to submit a proposal requesting a distribution from the DHF for fiscal year 2007-08. Each hospital was asked to clearly demonstrate how the hospital meets the statutory criteria, and to clearly state why CMAC should consider their proposal over others. No hospital types were excluded from an opportunity to apply for distributions from the DHF.

For fiscal year 2007-08 distributions CMAC received 77 proposals requesting well over \$240 million. In order to maximize the effectiveness of the limited amount of available funds (approximately \$16 million, plus federal financial participation (FFP) if available), CMAC found it necessary to focus its effort on a small number of hospitals. This focus is consistent with many of the comments received from hospitals and their Association representatives

during the 2005-06 DHF process and reaffirmed by the hospitals and Associations at the Commission's May 24, 2007 public meeting and again at the Commission's January 10, 2008 public meeting. The need to focus on only a few facilities was apparent when, considering that if all SPCP hospitals, or even just the hospitals that submitted proposals, were to receive equal DHF payments, the DHF amounts would have only been \$75,000 to \$175,000, plus FFP if available, for each hospital. This structure would fail to meet the financial impact objective expressed by the hospitals and their Association representatives.

CMAC reviewed and analyzed each SPCP hospital proposal for consideration as a distressed hospital, and utilized a range of factors as it always does in negotiating supplemental programs and general rate amendments. Due to the large number of hospitals in need, CMAC had to make some very difficult decisions. Although many proposals had merit, in order to maximize the effectiveness of the limited amount of available DHF funds, CMAC focused on a small number of hospitals. Therefore, only a few hospitals were provided DHF offers to address their immediate financial needs.

The distribution of the fiscal year 2007-08 DHF funds is intended to address the immediate financial needs of hospitals. DHF distributions for subsequent fiscal years will be separately determined to the extent DHF funds are available for CMAC negotiations. Hospitals that receive DHF funds this year may or may not receive DHF funds in future years. Conversely, hospitals that do not receive DHF funds this year may or may not receive funds in future years. CMAC will continue to consider all of its funding resources in an effort to be responsive to hospital financial needs within the constraints of the State budget and the objectives of the SPCP.

A second component of DHF funding may be distributed through CMAC negotiations if DHCS determines that stabilization funds are available based on the 1115(a) waiver. As of the date of publication of the 2008 Annual Report, CMAC has not been notified by DHCS that stabilization funds are available for distribution in fiscal year 2007-08, or beyond.

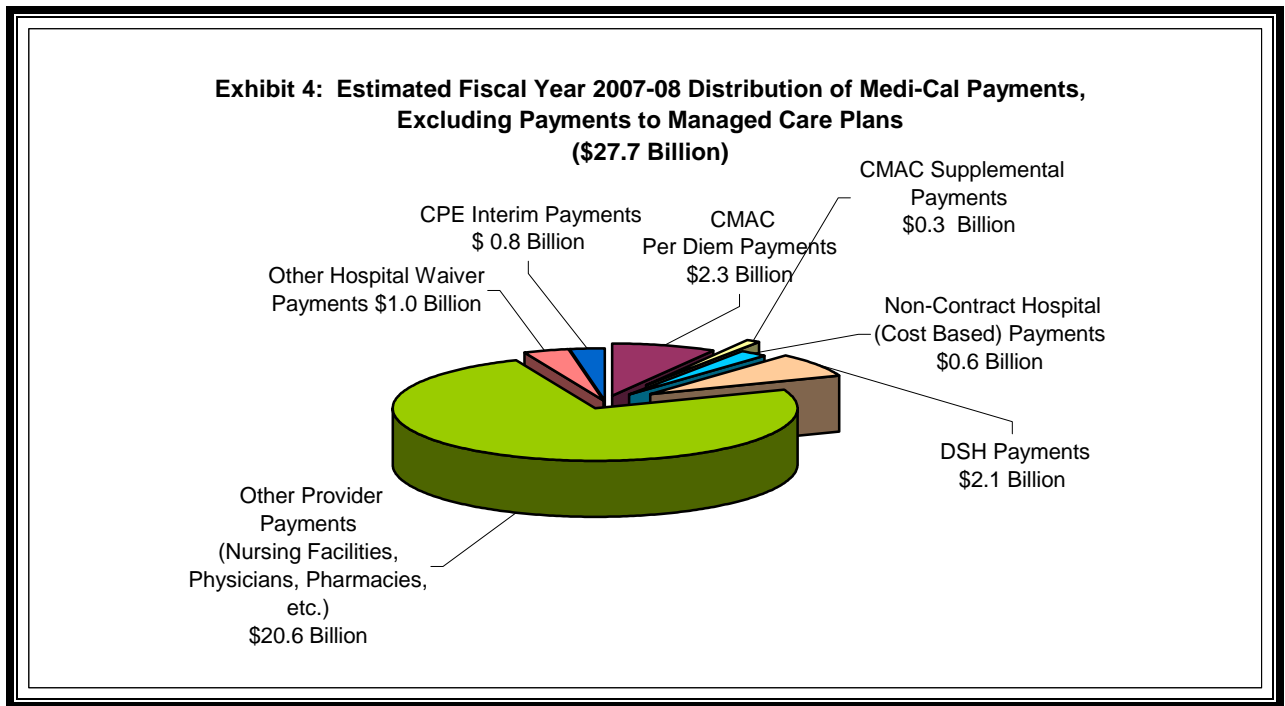
MANAGED CARE

Since the mid-1990s, CMAC negotiated the DHCS' Medi-Cal managed care contracts with four of the five County Organized Health Systems (COHS) and both of the Geographic Managed Care (GMC) programs. However, as of July 1, 2007, the responsibility for the negotiations of COHS were moved to the DHCS.

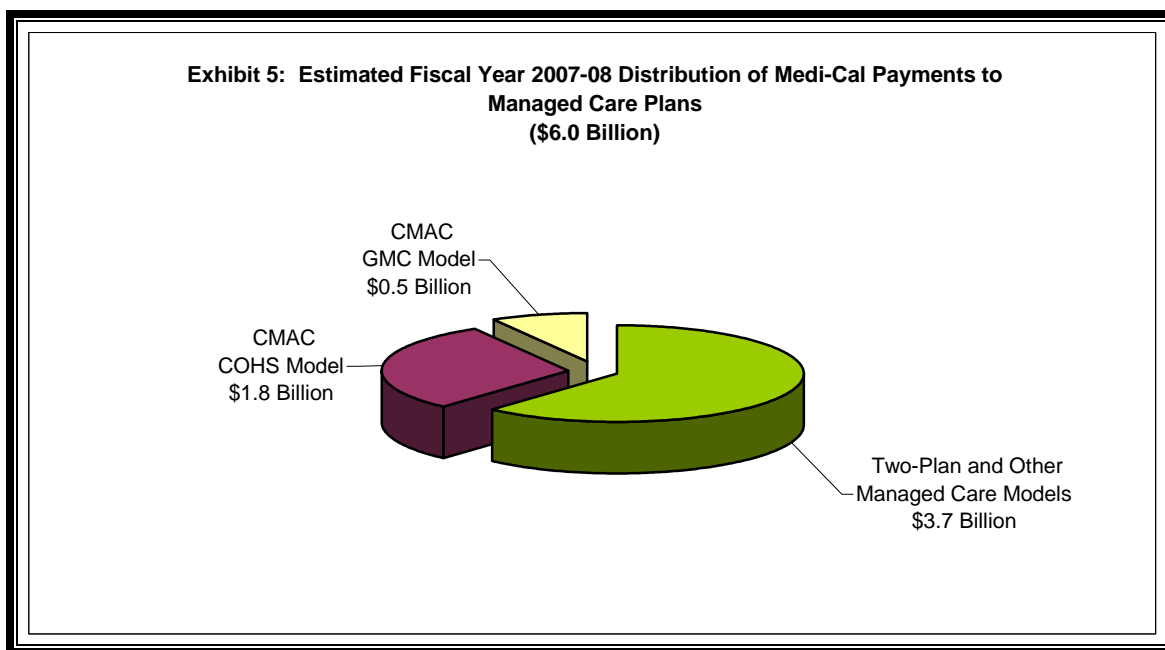
Under the GMC model, CMAC negotiates contract rates, terms and conditions for Medi-Cal contracts between competing HMOs and the State for a standard benefit package. There are two GMC programs currently operating in California, one in Sacramento County, which includes coverage for medical and dental services, and the other, for medical services only, in San Diego County. GMC is a Medi-Cal managed care model designed to provide a comprehensive program of managed care with maximum access by allowing Medi-Cal beneficiaries, in clearly defined geographical areas of the State, to choose among competing commercial health maintenance organizations (HMOs). (Welf. & Inst. § 14089.) The features that distinguish the GMC model from the COHS managed care model are multiple HMOs, beneficiary choice of an HMO, and some voluntary enrollment categories.

In fiscal year 2007-08, the State General Fund savings due to CMAC's managed care rate negotiations are estimated to be \$55.0 million. Since the commencement of CMAC managed care negotiations, the accumulated State General Fund annual savings associated with these negotiations are estimated to be in excess of \$1.5 billion.

As shown in Exhibits 4 and 5, and as projected by the DHCS for the fiscal year 2007-08 Medi-Cal Estimate, CMAC negotiates roughly 9.2 percent of the total Medi-Cal program budget of \$33.7 billion (\$2.3 billion in SPCP inpatient per diem payments, \$0.3 billion in supplemental program payments, and \$0.5 billion for managed care).



* Excludes payments to hospitals which will be reimbursed on a Certified Public Expenditures basis (see SPECIAL PROGRAMS section of this report).



Source: May 2008 Medi-Cal Estimate (Prepared by the California Department of Health Care Services). Estimated distributions are based on CMAC negotiations and Medi-Cal Paid Claims data.

CONCLUSIONS

After twenty-five years of operation, the SPCP continues to ensure access to hospital inpatient acute care services for Medi-Cal beneficiaries. Additionally, and importantly, the SPCP remains a cost-effective program for delivering and paying for acute hospital inpatient services.

In fiscal year 2006-07, the SPCP has realized estimated State General Fund program savings of \$572.0 million as a result of negotiating Medi-Cal acute inpatient per diem rates of reimbursement with hospitals. Over the twenty-five years of the SPCP, the State General Fund has realized accumulated estimated savings of \$10.3 billion.

In addition to the savings resulting from SPCP contract hospital per diem negotiations, an estimated savings of \$55.0 million was achieved in fiscal year 2007-08 through negotiated rates with DHCS' Geographic Managed Care program. Since the beginning of CMAC's managed care negotiations, an estimated total State General Fund savings of over \$1.5 billion has accrued.

As described above, total savings resulting from CMAC negotiations over the life of its existence is roughly \$11.8 billion.

APPENDIX A

CONTRACTING STATUS OF HFPAs AS OF DECEMBER 1, 2007

CLOSED AREA NAME	HFWA	HFWA NAME	AREA STATUS	CLOSURE DATE	REOPEN DATE	RECLOSURE DATE
	101	CRESCENT CITY	OPEN			
	103	HOOPA	OPEN			
	105	EUREKA	OPEN			
	107	FORTUNA	OPEN			
	109	GARBERVILLE	OPEN			
	111	FORT BRAGG	OPEN			
	112	WILLITS	OPEN			
	113	UKIAH	OPEN			
	115	LAKEPORT	OPEN			
	201	ALTURAS	OPEN			
	203	YREKA	OPEN			
	205	MOUNT SHASTA	OPEN			
	207	WEAVERVILLE	OPEN			
	209	REDDING	OPEN	1-Jun-84	1-Jul-89	
	210	FALL RIVER MILLS	OPEN			
	211	RED BLUFF	OPEN			
	213	SUSANVILLE	OPEN	1-Aug-83	27-Aug-96	
	215	QUINCY	OPEN			
	217	PORTOLA	OPEN			
	219	CHICO	OPEN	1-Sep-84	1-Jul-89	
	220	PARADISE	OPEN			
	221	OROVILLE	OPEN			
	223	WILLOWS	OPEN			
	225	COLUSA	OPEN			
	227	MARYSVILLE	OPEN			
	300	LOYALTON	OPEN			
	301	NEVADA CITY	OPEN			
	302	NORTH LAKE TAHOE	OPEN			
	304	PLACERVILLE	OPEN			
	306	SOUTH LAKE TAHOE	OPEN			
	308	AUBURN	OPEN			
SACRAMENTO	309	ROSEVILLE	CLOSED	1-Jul-83		
SACRAMENTO	311	SACRAMENTO	CLOSED	1-Feb-83		
	313	WOODLAND	OPEN	1-Jun-83	13-Jun-02	
	401	SANTA ROSA	OPEN			
	403	PETALUMA	OPEN			
SAN FRANCISCO BAY	405	SAN RAFAEL	CLOSED	1-Jul-83		
	407	NAPA	OPEN			
	408	FAIRFIELD	OPEN	1-Aug-83	1-Aug-85	
	409	VALLEJO	OPEN			
SAN FRANCISCO BAY	411	CONCORD	CLOSED	1-Jul-83		
SAN FRANCISCO BAY	413	RICHMOND	CLOSED	1-Jul-83		
SAN FRANCISCO BAY	415	BERKELEY	CLOSED	1-Mar-83		
SAN FRANCISCO BAY	417	OAKLAND	CLOSED	1-Mar-83		
	419	LIVERMORE	OPEN			
SAN FRANCISCO BAY	421	HAYWARD	CLOSED	1-Mar-83		
SAN FRANCISCO BAY	423	SAN FRANCISCO	CLOSED	1-Feb-83		
SAN FRANCISCO BAY	425	DALY CITY	CLOSED	1-Feb-83		
	427	SAN MATEO	OPEN			
SAN FRANCISCO BAY	428	REDWOOD CITY	CLOSED	1-Mar-83		

APPENDIX A

CONTRACTING STATUS OF HFPAs AS OF DECEMBER 1, 2007

CLOSED AREA NAME	HFPa	HFPa NAME	AREA STATUS	CLOSURE DATE	REOPEN DATE	RECLOSURE DATE
SAN FRANCISCO BAY	429	PALO ALTO	CLOSED	1-Mar-83		
SAN FRANCISCO BAY	431	SAN JOSE	CLOSED	1-Mar-83		
	433	GILROY	OPEN			
	501	JACKSON	OPEN			
	503	SAN ANDREAS	OPEN			
SAN JOAQUIN VALLEY	505	LODI	CLOSED	1-Jul-83		
SAN JOAQUIN VALLEY	507	STOCKTON	CLOSED	1-Aug-87		
SAN JOAQUIN VALLEY	509	TRACY	CLOSED	1-Jul-83		
SAN JOAQUIN VALLEY	511	MODESTO	CLOSED	1-Jun-83		
SAN JOAQUIN VALLEY	513	SONORA	CLOSED	1-Jun-83		
SAN JOAQUIN VALLEY	515	MERCED	CLOSED	1-Jun-83		
SAN JOAQUIN VALLEY	516	TURLOCK	CLOSED	1-Jun-83		
	517	LOS BANOS	OPEN	1-Jun-83	9-Aug-01	
SAN JOAQUIN VALLEY	601	MADERA	CLOSED	1-Jul-83		
	603	MARIPOSA	OPEN			
SAN JOAQUIN VALLEY	605	FRESNO	CLOSED	1-Jul-83		
	607	REEDLEY	OPEN	1-Jun-83	1-Jul-01	
	608	DINUBA	OPEN	1-Jun-83	9-Mar-00	
	609	COALINGA	OPEN			
	611	VISALIA	OPEN			
	613	PORTERVILLE	OPEN			
	615	HANFORD	OPEN			
SAN JOAQUIN VALLEY	617	BAKERSFIELD	CLOSED	1-Aug-83		
	619	KERN RIVER VALLEY	OPEN			
	621	RIDGECREST	OPEN			
	623	TEHACHAPI	OPEN			
	625	TAFT	OPEN			
	701	HOLLISTER	OPEN			
COASTAL	703	SANTA CRUZ	CLOSED	1-Jun-83		
	705	SALINAS	OPEN	1-Jul-86	1-Feb-90	
	707	MONTEREY	OPEN	1-Jan-86	1-Feb-90	
	709	KING CITY	OPEN	1-Jul-86	1-Jul-89	
	711	WATSONVILLE	OPEN	27-Nov-85	23-Mar-93	
COASTAL	801	SAN LUIS OBISPO	CLOSED	1-Jun-83		
	803	SANTA MARIA	OPEN			
	805	LOMPOC	OPEN			
	807	SANTA BARBARA	OPEN			
COASTAL	809	VENTURA	CLOSED	1-Jul-83		
COASTAL	811	OXNARD	CLOSED	1-Jul-83		
	813	VENTURA	OPEN			
LOS ANGELES	901	LANCASTER	CLOSED	1-Jul-83		
LOS ANGELES	903	SAN FERNANDO	CLOSED	1-Apr-83		
LOS ANGELES	905	VAN NUYS	CLOSED	1-Apr-83		
LOS ANGELES	907	BURBANK	CLOSED	1-Apr-83		
LOS ANGELES	909	GLENDALE	CLOSED	1-Apr-83		
LOS ANGELES	911	PASADENA	CLOSED	1-Apr-83		
LOS ANGELES	913	WEST SAN GABRIEL	CLOSED	1-Apr-83		
LOS ANGELES	915	EAST SAN GABRIEL	CLOSED	1-Apr-83		
LOS ANGELES	917	POMONA	CLOSED	1-Apr-83		
LOS ANGELES	919	WHITTIER	CLOSED	1-Apr-83		

APPENDIX A

CONTRACTING STATUS OF HFPAs AS OF DECEMBER 1, 2007

CLOSED AREA NAME	HFWA	HFWA NAME	AREA STATUS	CLOSURE DATE	REOPEN DATE	RECLOSURE DATE
LOS ANGELES	921	DOWNEY-NORWALK	CLOSED	1-Apr-83		
LOS ANGELES	923	LYNWOOD	CLOSED	1-Feb-83		
LOS ANGELES	925	LOS ANGELES	CLOSED	1-Apr-83		
LOS ANGELES	927	SANTA MONICA	CLOSED	1-Apr-83		
LOS ANGELES	929	INGLEWOOD	CLOSED	1-Jan-85	1-Feb-86	1-Jun-92
LOS ANGELES	931	TORRANCE	CLOSED	15-Aug-84	1-Feb-90	24-May-94
LOS ANGELES	933	LONG BEACH	CLOSED	1-Feb-83		
LOS ANGELES	935	WATTS	CLOSED	1-Apr-83		
LOS ANGELES	937	LA CANADA	CLOSED	1-Apr-83		
ORANGE	1011	FULLERTON	CLOSED	1-Nov-84		
ORANGE	1012	ANAHEIM	CLOSED	1-May-83		
ORANGE	1013	BUENA PARK	CLOSED	1-May-83		
	1014	HUNTINGTON BEACH	OPEN	1-May-83	17-Nov-90	
ORANGE	1015	SANTA ANA	CLOSED	1-May-83		
	1016	NEWPORT BEACH	OPEN			
	1017	SOUTH ORANGE	OPEN			
	1101	BLYTHE	OPEN			
RIVERSIDE	1103	INDIO	CLOSED	11-Jul-95		
RIVERSIDE	1105	PALM SPRINGS	CLOSED	1-Jul-83		
RIVERSIDE	1107	BANNING	CLOSED	1-Aug-83		
RIVERSIDE	1109	HEMET	CLOSED	1-Jul-83		
RIVERSIDE	1111	RIVERSIDE	CLOSED	1-Jul-83		
	1201	SOUTHERN INYO	OPEN			
	1203	NORTHERN INYO	OPEN			
	1205	MONO COUNTY	OPEN			
SAN BERNARDINO	1207	W. SAN BERNARDINO	CLOSED	1-Jul-83		
SAN BERNARDINO	1209	SAN BERNARDINO	CLOSED	1-Jun-83		
	1211	VICTOR VALLEY	OPEN			
	1213	BARSTOW	OPEN			
	1214	MORONGO BASIN	OPEN			
	1215	NEEDLES	OPEN			
	1217	BEAR VALLEY	OPEN			
SAN DIEGO	1412	INLND N. SAN DIEGO CO	CLOSED	1-Apr-83		
SAN DIEGO	1414	CSTAL N. SAN DIEGO CO	CLOSED	1-Apr-83		
SAN DIEGO	1416	NORTH SAN DIEGO CITY	CLOSED	1-Jul-83		
SAN DIEGO	1418	CNTRL SAN DIEGO CITY	CLOSED	1-Feb-83		
SAN DIEGO	1420	SOUTH SAN DIEGO CO	CLOSED	1-Feb-83		
SAN DIEGO	1422	EAST SAN DIEGO CO	CLOSED	1-Feb-83		
	1424	IMPERIAL COUNTY	OPEN			

SOURCE: California Medical Assistance Commission Management Information System

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFP	A	FCL ID	CONTRACT STATUS		HOSPITAL
					Contract	Non-Contract	
SHASTA	REDDING	209		4012	C		NORTHERN CALIFORNIA REHABILITATION HOSPITAL
				=====	1		
				937	C		OROVILLE HOSPITAL
BUTTE	OROVILLE	221		=====	1		
				950	C		MERCY SAN JUAN HOSPITAL
				1000		NC	SUTTER ROSEVILLE MEDICAL CENTER
				4029	C		MERCY HOSPITAL OF FOLSOM
				4024		NC	<u>KAISER FOUNDATION HOSPITAL</u>
				4035		NC	KINDRED HOSPITAL - SACRAMENTO
PLACER/SACRAMENTO	ROSEVILLE	309	TOTAL		2	3	
				913		NC	<u>KAISER FOUNDATION HOSPITAL - SACRAMENTO</u>
				947	C		MERCY GENERAL HOSPITAL
				951	C		METHODIST HOSPITAL OF SACRAMENTO
				1006	C		UC DAVIS MEDICAL CENTER
				1051	C		SUTTER COMMUNITY HOSPITALS OF SACRAMENTO (2 Service Sites)
				2344		NC	KAISER FOUNDATION HOSPITAL - SOUTH SACRAMENTO
				4114		NC	SHRINER'S HOSPITALS FOR CHILDREN
				=====			
			TOTAL		4	3	
				992		NC	KAISER FOUNDATION HOSPITAL - SAN RAFAEL
				993	C		KENTFIELD REHABILITATION HOSPITAL
MARIN	SAN RAFAEL	405		1006	C		MARIN GENERAL HOSPITAL
				4035	C		NOVATO COMMUNITY HOSPITAL
				=====			
			TOTAL		3	1	
				924	C		CONTRA COSTA REGIONAL MEDICAL CENTER
				934		NC	SUTTER DELTA MEDICAL CENTER
CONTRA COSTA	CONCORD	411		988		NC	JOHN MUIR MEMORIAL HOSPITAL
				1010		NC	KAISER FOUNDATION HOSPITAL - MARTINEZ/WALNUT CREEK
				1018		NC	MT. DIABLO MEDICAL CENTER
				4017		NC	SAN RAMON REGIONAL MEDICAL CENTER (2 Service Sites)
				=====			
			TOTAL		1	5	
CONTRA COSTA	RICHMOND	413		904	C		DOCTORS MEDICAL CENTER - SAN PABLO
				4093		NC	KAISER FOUNDATION HOSPITAL - RICHMOND
				=====			
			TOTAL		1	1	
ALAMEDA	BERKELEY	415		739	C		ALTA BATES MEDICAL CENTER (2 Service Sites)
				=====			
			TOTAL		1	0	
ALAMEDA	OAKLAND	417		735		NC	ALAMEDA HOSPITAL
				776	C		CHILDREN'S HOSPITAL & RESEARCH CENTER AT OAKLAND
				846	C		<u>ALAMEDA CO. MEDICAL CENTER - HIGHLAND</u>
				856		NC	KAISER FOUNDATION HOSPITAL - OAKLAND
				937	C		SUMMIT MEDICAL CENTER (2 Service Sites)
				=====			
			TOTAL		3	2	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
ALAMEDA	HAYWARD	421			NC	<u>EDEN MEDICAL CENTER (2 Service Sites)</u>
			805			
			811	C		<u>ALAMEDA CO. MEDICAL CENTER - FAIRMONT</u>
			858		NC	KAISER FOUNDATION HOSPITAL - HAYWARD (2 Service Sites)
			887	C		KINDRED HOSPITAL - S.F. BAY AREA
			967	C		ST. ROSE HOSPITAL
			987	C		WASHINGTON HOSPITAL - FREMONT
			3619		NC	<u>SAN LEANDRO HOSPITAL</u>
			4132		NC	KAISER FOUNDATION HOSPITAL - FREMONT
			=====			
			TOTAL	4	4	
SAN FRANCISCO	SAN FRANCISCO	423			NC	KAISER FOUNDATION HOSPITAL - SAN FRANCISCO
			857			
			865		NC	LAGUNA HONDA HOSPITAL & REHABILITATION CENTER
			929	C		<u>CALIFORNIA PACIFIC MEDICAL CENTER (3 Service Sites)</u>
			933	C		<u>DAVIES MEDICAL CENTER</u>
			939	C		SAN FRANCISCO GENERAL HOSPITAL MEDICAL CENTER
			960	C		ST. FRANCIS MEMORIAL HOSPITAL
			964	C		ST. LUKE'S HOSPITAL
			965	C		ST. MARY'S HOSPITAL AND MEDICAL CENTER
			1154	C		UCSF HOSPS & CLINICS & MT. ZION MEDICAL CENTER
			2715	C		OF THE UCSF (2 Service Sites) CHINESE HOSPITAL
			=====			
			TOTAL	8	2	
SAN MATEO	DALY CITY	425			NC	KAISER FOUNDATION HOSPITAL - S. SAN FRANCISCO
			806			
			817	C		SETON MEDICAL CENTER
			=====			
			TOTAL	1	1	
SAN MATEO		427				SAN MATEO MEDICAL CENTER
			782	C		
			=====			
			TOTAL	1	0	
SAN MATEO		428			NC	KAISER FOUNDATION HOSPITAL - REDWOOD CITY
			804			
			891	C		SEQUOIA HOSPITAL
			4018		NC	MENLO PARK SURGICAL HOSPITAL
			=====			
			TOTAL	1	2	
SANTA CLARA	PALO ALTO	429			NC	EL CAMINO HOSPITAL OF MOUNTAIN VIEW
			763	C		
			805		NC	KAISER FOUNDATION HOSPITAL - SANTA CLARA
			905	C		STANFORD HOSPITAL AND CLINICS
			4040	C		LUCILE SALTER PACKARD CHILDREN'S HOSP. STANFORD
			=====			
			TOTAL	3	1	
SANTA CLARA	SAN JOSE	431			NC	REGIONAL MEDICAL OF SAN JOSE
			705			
			743		NC	COMMUNITY HOSPITAL OF LOS GATOS
			779	C		GOOD SAMARITAN HOSPITAL OF SANTA CLARA VALLEY
			837	C		O'CONNOR HOSPITAL
			883	C		SANTA CLARA VALLEY MEDICAL CENTER
			915		NC	MISSION OAKS HOSPITAL
			1506		NC	KAISER - SANTA TERESA COMMUNITY HOSPITAL
			=====			
			TOTAL	3	4	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
SAN JOAQUIN	LODI	505	923	C		LODI MEMORIAL HOSPITAL (2 Service Sites)
			=====			
			TOTAL	1	0	
SAN JOAQUIN	STOCKTON	507	846	C		DAMERON HOSPITAL
			1010	C		SAN JOAQUIN GENERAL HOSPITAL
			1042	C		ST. JOSEPH'S MEDICAL CENTER OF STOCKTON
			2287		NC	DOCTORS HOSPITAL OF MANTECA
			4009		NC	KAISER FOUNDATION HOSPITAL - MANTECA
			=====			
			TOTAL	3	2	
SAN JOAQUIN	TRACY	509	1056	C		SUTTER TRACY COMMUNITY HOSPITAL
			=====			
			TOTAL	1	0	
STANISLAUS	MODESTO	511	852	C		DOCTOR'S MEDICAL CENTER OF MODESTO
			939	C		MEMORIAL HOSPITAL MEDICAL CENTER - MODESTO
			954	C		KINDRED HOSPITAL - MODESTO
			967	C		OAK VALLEY DISTRICT HOSPITAL
			4038		NC	STANISLAUS SURGICAL HOSPITAL
			=====			
			TOTAL	4	1	
MERCED	MERCED	515	942	C		MERCY MEDICAL CENTER MERCED (2 Service Sites)
			=====			
			TOTAL	1	0	
STANISLAUS	TURLOCK	516	867	C		EMANUEL MEDICAL CENTER
			=====			
			TOTAL	1	0	
MADERA	MADERA	601	1281	C		MADERA COMMUNITY HOSPITAL
			4019	C		CHILDREN'S HOSPITAL OF CENTRAL CALIFORNIA
			=====			
			TOTAL	2	0	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
FRESNO	FRESNO	605	717	C		<u>FRESNO COMMUNITY HOSPITAL & MED CENTER</u>
			822	C		<u>UNIVERSITY MEDICAL CENTER</u>
			899	C		ST. AGNES MEDICAL CENTER
			4016	C		COMMUNITY MEDICAL CENTER - CLOVIS
			4023	C		SAN JOAQUIN VALLEY REHABILITATION HOSPITAL
			4047		NC	FRESNO SURGERY CENTER
			4062		NC	KAISER FOUNDATION HOSPITAL - FRESNO
			5029		NC	FRESNO HEART HOSPITAL
			=====			
			TOTAL	5	3	
KERN	BAKERSFIELD	617	706	C		DELANO REGIONAL MEDICAL CENTER
			722		NC	BAKERSFIELD MEMORIAL HOSPITAL
			736	C		KERN MEDICAL CENTER
			761		NC	MERCY HOSPITAL - BAKERSFIELD (2 Service Sites)
			775	C		GOOD SAMARITAN HOSPITAL
			788	C		SAN JOAQUIN COMMUNITY HOSPITAL
			4022	C		HEALTHSOUTH BAKERSFIELD REHABILITATION HOSPITAL
			4101		NC	BAKERSFIELD HEART HOSPITAL
			=====			
			TOTAL	5	3	
SANTA CRUZ	SANTA CRUZ	703	755	C		DOMINICAN SANTA CRUZ HOSPITAL (2 Service Sites)
			4012		NC	SUTTER MATERNITY & SURGERY CENTER
			=====			
			TOTAL	1	1	
MONTEREY	SALINAS	705	4043	C		NATIVIDAD MEDICAL CENTER
			875	C		SALINAS VALLEY MEMORIAL HOSPITAL
			=====			
			TOTAL	2	0	
SAN LUIS OBISPO	SAN LUIS OBISPO	801	466	C		ARROYO GRANDE COMMUNITY HOSPITAL
			480	C		FRENCH HOSPITAL MEDICAL CENTER
			524	C		SIERRA VISTA REGIONAL MEDICAL CENTER
			548	C		TWIN CITIES COMMUNITY HOSPITAL
			=====			
			TOTAL	4	0	
VENTURA	VENTURA	809	473	C		COMMUNITY MEMORIAL HOSPITAL OF SAN BUENAVENTURA
			481	C		<u>VENTURA COUNTY MEDICAL CENTER (2 Service Sites)</u>
			501	C		OJAI VALLEY COMMUNITY HOSPITAL
			=====			
			TOTAL	3		
VENTURA	OXNARD	811	492	C		LOS ROBLES REGIONAL MEDICAL CENTER (2 service sites)
			508	C		ST. JOHN'S PLEASANT VALLEY HOSPITAL
			525	C		SIMI VALLEY HOSPITAL & HEALTH CARE CENTER
			529	C		ST. JOHN'S REGIONAL MEDICAL CENTER
			811		NC	THOUSAND OAKS SURGICAL HOSPITAL
			=====			
			TOTAL	4	1	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
LOS ANGELES	LANCASTER	901	34	C		ANTELOPE VALLEY HOSPITAL MEDICAL CENTER
			455		NC	LANCASTER COMMUNITY HOSPITAL
			=====			
			TOTAL	1	1	
LOS ANGELES	SAN FERNANDO	903	385	C		PROVIDENCE HOLY CROSS MEDICAL CENTER
			949	C		HENRY MAYO NEWHALL MEMORIAL HOSPITAL
			1231	C		<u>LOS ANGELES CO. OLIVE VIEW MEDICAL CENTER</u>
			=====			
			TOTAL	3	0	
LOS ANGELES	VAN NUYS	905	432		NC	KAISER FOUNDATION HOSPITAL - PANORAMA CITY
			517		NC	ENCINO-TARZANA REGIONAL
						MEDICAL CENTER (2 Service Sites)
			524	C		MISSION COMMUNITY HOSPITAL
			552		NC	MOTION PICTURE & TELEVISION HOSPITAL
			568	C		NORTHRIDGE HOSPITAL MEDICAL CENTER - ROSCOE BLVD.
			708	C		SHERMAN OAKS HOSPITAL AND HEALTH CENTER
			812	C		VALLEY PRESBYTERIAN HOSPITAL
			859		NC	WEST HILLS HOSPITAL & MEDICAL CENTER
			1450		NC	KAISER FOUNDATION HOSPITAL - WOODLAND HILLS
			=====			
			TOTAL	4	5	
LOS ANGELES	BURBANK	907	696	C		PACIFICA HOSPITAL OF THE VALLEY
			758	C		PROVIDENCE ST. JOSEPH MEDICAL CENTER
			=====			
			TOTAL	2	0	
LOS ANGELES	GLENDALE	909	323	C		GLENDALE ADVENTIST MEDICAL CENTER WILSON TERRACE
			522	C		GLENDALE MEMORIAL HOSPITAL & HEALTH CENTER
			=====			
			TOTAL	2	0	
LOS ANGELES	PASADENA	911	400	C		HUNTINGTON MEMORIAL HOSPITAL
			=====			
			TOTAL	1	0	
LOS ANGELES	WEST SAN GABRIEL	913	17	C		ALHAMBRA HOSPITAL MEDICAL CENTER
			176	C		CITY OF HOPE NATIONAL MEDICAL CENTER
			200	C		SAN GABRIEL VALLEY MEDICAL CENTER
			315	C		GARFIELD MEDICAL CENTER
			352	C		GREATER EL MONTE COMMUNITY HOSPITAL
			529	C		METHODIST HOSPITAL OF SOUTHERN CALIFORNIA
			547	C		MONTEREY PARK HOSPITAL
			=====			
			TOTAL	7	0	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
LOS ANGELES	EAST SAN GABRIEL	915	49		NC	VISTA SPECIALTY HOSPITAL OF SAN GABRIEL VALLEY
			298	C		FOOTHILL PRESBYTERIAN HOSPITAL
			328	C		EAST VALLEY HOSPITAL MEDICAL CENTER
			413	C		<u>CITRUS VALLEY MEDICAL CENTER - INTERCOMMUNITY</u>
			458		NC	KINDRED HOSPITAL - SAN GABRIEL VALLEY
			636	C		<u>CITRUS VALLEY MEDICAL CENTER - QUEEN OF THE VALLEY</u>
			857	C		DOCTORS HOSPITAL OF WEST COVINA
			6035		NC	KAISER FOUNDATION HOSPITAL - BALDWIN PARK
			=====			
			TOTAL	5	3	
LOS ANGELES	POMONA	917	137	C		CASA COLINA HOSPITAL FOR REHABILITATIVE MEDICINE
			630	C		POMONA VALLEY COMMUNITY HOSPITAL
			673	C		SAN DIMAS COMMUNITY HOSPITAL
			=====			
			TOTAL	3	0	
LOS ANGELES	WHITTIER	919	81	C		BEVERLY HOSPITAL
			631	C		PRESBYTERIAN INTERCOMMUNITY HOSPITAL
			883	C		WHITTIER HOSPITAL MEDICAL CENTER
			=====			
			TOTAL	3	0	
LOS ANGELES	DOWNEY/NORWALK	921	66	C		BELLFLOWER MEDICAL CENTER
			159	C		TRI CITY REGIONAL MEDICAL CENTER
			243	C		DOWNEY REGIONAL MEDICAL CENTER
			430		NC	KAISER FOUNDATION HOSPITAL - BELLFLOWER
			449		NC	KINDRED HOSPITAL - LA MIRADA
			599	C		PROMISE HOSPITAL OF EAST L.A. - SUBURBAN MED CENTER
			766	C		COAST PLAZA DOCTORS HOSPITAL
			1306	C		<u>LOS ANGELES CO. RANCHO LOS AMIGOS MEDICAL CENTER</u>
			=====			
			TOTAL	6	2	
LOS ANGELES	LYNWOOD	923	197	C		COMMUNITY AND MISSION HOSPITALS OF HUNTINGTON PARK (2 Service Sites)
			754	C		ST. FRANCIS MEDICAL CENTER
			=====			
			TOTAL	2	0	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
LOS ANGELES	LOS ANGELES	925	52	C		BARLOW HOSPITAL
			125	C		CALIFORNIA MEDICAL CENTER - LOS ANGELES
			170	C		CHILDREN'S HOSPITAL OF LOS ANGELES
			198	C		LOS ANGELES COMMUNITY HOSPITAL (2 Service Sites)
			256	C		EAST LOS ANGELES DOCTORS HOSPITAL
			307	C		PACIFIC ALLIANCE MEDICAL CENTER
			380	C		HOLLYWOOD COMMUNITY HOSPITAL OF HOLLYWOOD
			382	C		HOLLYWOOD PRESBYTERIAN MEDICAL CENTER
			392	C		GOOD SAMARITAN HOSPITAL
			429		NC	KAISER FOUNDATION HOSPITAL - LOS ANGELES
			468	C		PROMISE HOSPITAL OF EAST LOS ANGELES
			534		NC	OLYMPIA MEDICAL CENTER
			555	C		CEDARS SINAI MEDICAL CENTER
			661	C		CITY OF ANGELS MEDICAL CENTER - DOWNTOWN
			681		NC	MIRACLE MILE
			712		NC	SHRINERS HOSPITAL FOR CHILDREN
			762	C		ST. VINCENT MEDICAL CENTER
			784	C		TEMPLE COMMUNITY HOSPITAL
			854	C		LOS ANGELES METROPOLITAN MEDICAL CENTER
			878	C		WHITE MEMORIAL MEDICAL CENTER
			1216	C		USC KENNETH NORRIS, JR. CANCER HOSPITAL
			1228	C		<u>LOS ANGELES CO, USC MEDICAL CENTER</u>
			4219	C		USC UNIVERSITY HOSPITAL
=====						
	LOS ANGELES	925	TOTAL	19	4	
LOS ANGELES	SANTA MONICA	927	110	C		BROTMAN MEDICAL CENTER
			155		NC	CENTURY CITY DOCTORS HOSPITAL
			434		NC	KAISER FOUNDATION HOSPITAL - WEST LOS ANGELES
			500		NC	CENTINELA FREEMAN REGIONAL MEDICAL CENTER
			687	C		SANTA MONICA-UCLA MEDICAL CENTER
			756		NC	ST. JOHN'S HOSPITAL AND HEALTH CENTER
			796	C		UCLA MEDICAL CENTER
=====						
	SANTA MONICA	927	TOTAL	3	4	
LOS ANGELES	INGLEWOOD	929	148	C		CENTINELA HOSPITAL MEDICAL CENTER
			196		NC	COMMUNITY HOSPITAL OF GARDENA
			305	C		KINDRED HOSPITAL - LOS ANGELES
			521	C		MEMORIAL HOSPITAL OF GARDENA
=====						
	INGLEWOOD	929	TOTAL	3	1	
LOS ANGELES	TORRANCE	931	422	C		TORRANCE MEMORIAL MEDICAL CENTER
			470	C		LITTLE COMPANY OF MARY HOSPITAL
=====						
	TORRANCE	931	TOTAL	2	0	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
LOS ANGELES	LONG BEACH	933	45		NC	CATALINA ISLAND MEDICAL CENTER
			53	C		ST. MARY MEDICAL CENTER
			135		NC	KAISER FOUNDATION HOSPITAL - CARSON
			240	C		LAKEWOOD REGIONAL MEDICAL CENTER
			431		NC	KAISER FOUNDATION HOSPITAL - HARBOR CITY
			475		NC	COMMUNITY HOSPITAL OF LONG BEACH
			525	C		LONG BEACH MEMORIAL MEDICAL CENTER
			587	C		PACIFIC HOSPITAL OF LONG BEACH
			680	C		LITTLE COMPANY OF MARY - SAN PEDRO (2 service sites)
			1227	C		<u>LOS ANGELES CO. HARBOR/UCLA MEDICAL CENTER</u>
			6168	C		MILLER CHILDREN'S HOSPITAL
			=====			
			TOTAL	7	4	
			=====			
LOS ANGELES	LA CANADA	937	818	C		VERDUGO HILLS HOSPITAL
			=====			
			TOTAL	1	0	
ORANGE	FULLERTON	1011	1127		NC	KINDRED HOSPITAL BREA
			1132		NC	KAISER FOUNDATION HOSPITAL - ANAHEIM
			1297		NC	PLACENTIA-LINDA COMMUNITY HOSPITAL
			1342	C		ST. JUDE MEDICAL CENTER
			=====			
			TOTAL	1	3	
ORANGE	ANAHEIM	1012	1097	C		ANAHEIM GENERAL HOSPITAL
			1098		NC	ANAHEIM MEMORIAL MEDICAL CENTER (2 Service Sites)
			1167		NC	KINDRED HOSPITAL - SANTA ANA
			1188	C		WESTERN MEDICAL CENTER - ANAHEIM
			1283	C		GARDEN GROVE HOSPITAL AND MEDICAL CENTER
			1379		NC	WEST ANAHEIM MEDICAL CENTER
ORANGE	BUENA PARK	1013	1234		NC	LA PALMA INTERCOMMUNITY HOSPITAL
			1248	C		LOS ALAMITOS MEDICAL CENTER
			=====			
ORANGE	HUNTINGTON BEACH	1014	225		NC	ORANGE COAST MEMORIAL MEDICAL CENTER
			1175		NC	FOUNTAIN VALLEY REGIONAL HOSPITAL & MED CENTER (2 Service Sites)
			1209		NC	HUNTINGTON BEACH HOSPITAL
ORANGE	HUNTINGTON BEACH	1014	1380	C		KINDRED HOSPITAL - WESTMINSTER
			=====			
			TOTAL	1	3	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
ORANGE	SANTA ANA	1015		32	C	CHILDREN'S HOSPITAL OF ORANGE COUNTY
				1140	C	CHAPMAN GENERAL HOSPITAL
				1258	C	COASTAL COMMUNITIES HOSPITAL
				1279	C	U.C. IRVINE MEDICAL CENTER
				1340	C	ST. JOSEPH HOSPITAL - ORANGE
				1357	C	TUSTIN HOSPITAL MEDICAL CENTER
				1566	C	WESTERN MEDICAL CENTER - SANTA ANA
				4045	NC	IRVINE REGIONAL HOSPITAL & MEDICAL CENTER
				4079	C	TUSTIN REHABILITATION HOSPITAL
				4159	C	HEALTHBRIDGE CHILDREN'S REHABILITATION HOSPITAL
				=====		
			TOTAL	9	1	
RIVERSIDE	INDIO	1103		1216	C	JOHN F. KENNEDY MEMORIAL HOSPITAL
				=====		
			TOTAL	1	0	
RIVERSIDE	PALM SPRINGS	1105		1164	C	DESERT HOSPITAL
				1168	C	EISENHOWER MEDICAL CENTER
				=====		
			TOTAL	2	0	
RIVERSIDE	HEMET	1109		1194	C	HEMET VALLEY HOSPITAL
				4018	C	MENIFEE VALLEY MEDICAL CENTER
				4048	C	MORENO VALLEY COMMUNITY HOSPITAL
				4068	C	SOUTHWEST HEALTHCARE SYSTEM (2 Service Sites)
				4487	C	RIVERSIDE COUNTY REGIONAL MEDICAL CENTER
				=====		
			TOTAL	5	0	
RIVERSIDE	RIVERSIDE	1111		1152	C	CORONA REGIONAL MEDICAL CENTER (2 Service Sites)
				1293	C	PARKVIEW COMMUNITY HOSPITAL MEDICAL CENTER
				1312	C	RIVERSIDE COMMUNITY HOSPITAL
				4025	NC	KAISER FOUNDATION HOSPITAL - RIVERSIDE
				=====		
			TOTAL	3	1	
SAN BERNARDINO	WEST SAN BERNARDINO	1207		1144	C	CHINO VALLEY MEDICAL CENTER
				1166	C	DOCTOR'S HOSPITAL MEDICAL CENTER OF MONTCLAIR
				1274	NC	KINDRED HOSPITAL - ONTARIO
				1318	NC	SAN ANTONIO COMMUNITY HOSPITAL
				4188	NC	RANCHO SPECIALTY HOSPITAL
				=====		
			TOTAL	2	3	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
SAN BERNARDINO	METRO SAN BERNARDINO	1209	1223		NC	KAISER FOUNDATION HOSPITAL - FONTANA
			1246	C		LOMA LINDA UNIVERSITY MEDICAL CENTER (2 Service Sites)
			1266		NC	MOUNTAINS COMMUNITY HOSPITAL
			1308	C		REDLANDS COMMUNITY HOSPITAL
			1323	C		COMMUNITY HOSPITAL OF SAN BERNARDINO
			1339	C		ST. BERNARDINE MEDICAL CENTER
			4121	C		ROBERT H. BALLARD REHABILITATION HOSPITAL
			4231	C		ARROWHEAD REGIONAL MEDICAL CENTER
			=====			
			TOTAL	6	2	
SAN DIEGO	INLAND N. SAN DIEGO CO.	1412	755	C		<u>PALOMAR MEDICAL CENTER</u>
			977	C		<u>POMERADO HOSPITAL</u>
			=====			
			TOTAL	2	0	
SAN DIEGO	COASTAL N. SAN DIEGO CO.	1414	705	C		FALLBROOK HOSPITAL
			780	C		TRI-CITY MEDICAL CENTER
			=====			
			TOTAL	2	0	
SAN DIEGO	NORTH SAN DIEGO CITY	1416	673	C		CHILDREN'S HOSPITAL OF SAN DIEGO
			694	C		DONALD N. SHARP MEMORIAL (2 Service Sites)
			695	C		SHARP MARY BIRCH HOSPITAL FOR WOMEN
			730		NC	KAISER FOUNDATION HOSPITAL - SAN DIEGO
			771	C		SCRIPPS MEMORIAL HOSPITAL - LA JOLLA
			1256	C		CECIL H. & IDA M. GREEN HOSP OF SCRIPPS CLINIC
			1394	C		SCRIPPS MEMORIAL HOSPITAL - ENCINITAS
			4141	C		<u>U. C. SAN DIEGO - THORTON</u>
			=====			
			TOTAL	7	1	
SAN DIEGO	CENTRAL SAN DIEGO CITY	1418	652	C		ALVARADO HOSPITAL MEDICAL CENTER (2 Service Sites)
			721		NC	KINDRED HOSPITAL - SAN DIEGO
			744	C		<u>SCRIPPS MERCY HOSPITAL</u>
			782	C		<u>U.C. SAN DIEGO MEDICAL CENTER</u>
			787	C		PROMISE HOSPITAL OF SAN DIEGO
			4094		NC	CONTINENTAL REHABILITATION HOSP OF SAN DIEGO
			=====			
			TOTAL	4	2	

APPENDIX B

MEDI-CAL HOSPITAL CONTRACTING STATUS BY AREA AS OF DECEMBER 1, 2007

COUNTY	AREA	HFPA	FCL ID	CONTRACT STATUS		HOSPITAL
				Contract	Non-Contract	
SAN DIEGO	SOUTH SAN DIEGO CO.	1420	658	C		<u>SCRIPPS MEMORIAL HOSPITAL - CHULA VISTA</u>
			689	C		SHARP CORONADO HOSPITAL
			759	C		PARADISE VALLEY HOSPITAL
			875	C		SHARP CHULA VISTA MEDICAL CENTER
			=====			
			TOTAL	4	0	
SAN DIEGO	EAST SAN DIEGO CO.	1422	714	C		GROSSMONT HOSPITAL
			=====			
			TOTAL	1	0	
STATEWIDE TOTAL				203	84	

NOTES:

1) Hospitals whose names are in ITALICS and underlined are covered by one contract, although each service site is counted as a separate hospital because they are located in separate HFPA's or have separate provider numbers. Other contract hospitals with multiple service sites but utilizing only one provider number for billing purposes have the number of service sites noted in parentheses and are not counted as separate hospitals.

2) All Areas listed in Appendix B are designated as Closed except for HFPA's 517-Los Banos, 705-Salinas and 1014-Huntington Beach.

SOURCE: California Medical Assistance Commission Management Information System